



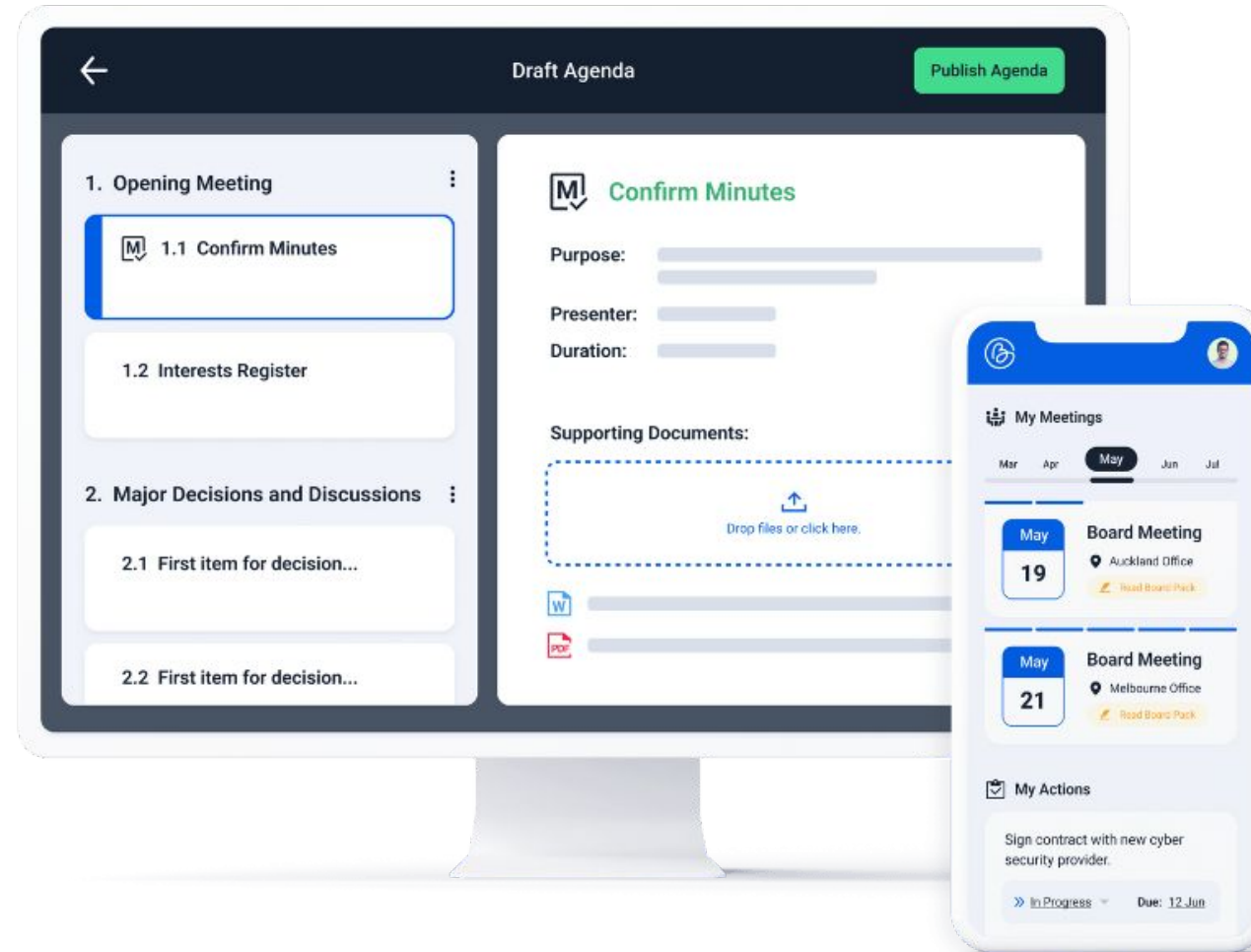
**Webinar**

# Board roles and responsibilities

With Special Guest Margot Foster AM OLY









**Making the fundamentals of  
governance free and  
easy to implement**



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**Margot Foster**  
AM OLY

Founder  
**Boardroom  
Excellence  
Australia**



**Lynda Carroll**

CEO  
**Align Group**



# **Hand in Hand: Director Duties, Roles & Responsibilities**

22 July 2025





# Director Obligations Founded in



Legislation



Constitution



Policies, charters, terms of reference

✓ Duties are obligations imposed by law

✓ Responsibilities are those tasks that fall to directors in order to achieve organisation outcomes





# The Fundamental Duty of Trust



## Directors are fiduciaries



A fiduciary is someone who has undertaken to act for and on behalf of another in a particular matter in circumstances which give rise to a relationship of trust and confidence."

*Bristol & West Building Society v Mothew* (1998) Ch 2 Lord Millett



# Duties

## Director Duties — what the law expects of you

Derived from common law, or judge made law, now codified into legislation



Corporations  
Act 2001

Australia



State Associations  
Incorporations Acts

Australia



Companies  
Act 1993

New Zealand



Incorporated  
Societies Act 2022

New Zealand

→ Duties are personal, ongoing, and can't be ignored or overlooked



# Duties may apply to

## Directors

01

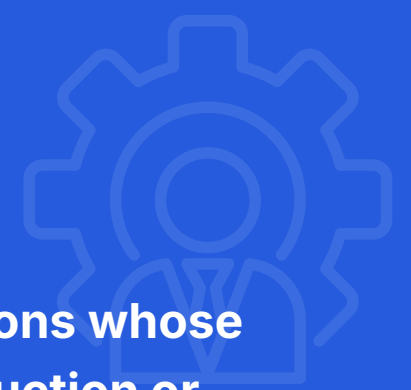
### **De facto Directors**

A person who acts as a director without formal appointment, may be involved in day to day management and participating in governance and decision-making

02

### **Shadow directors**

Also not formally appointed but has an influence over and input into discussion and decision-making, not involved in day to day management and don't hold themselves out as directors



**Persons whose  
instruction or  
direction the  
board follows**



# Act with Reasonable Care, Skill and Diligence



The objective standard is that of a reasonable person in the circumstances



You are expected to have sufficient financial skill, and a lack of skill doesn't reduce your duty



You must obtain the information necessary to be informed, objectively assess it and ask questions to understand the information



You can't take a backseat or outsource your responsibility to management





# Other Duties



- i Act in good faith and for a proper purpose
- i Avoid conflicts of interest or conflicts of duty
- i To not improperly use position or information
- i Avoid insolvent trading

**Comply with the law and constitution:**  
**Ignorantia juris non excusat**



# Director Responsibilities



- ✓ Attend meetings and contribute
- ✓ Be familiar with the organisation's activities including key risks and compliance obligations
- ✓ Oversee and monitor affairs including the CEO and management
- ✓ Ensure policies are in place and up to date
- ✓ Set strategy
- ✓ Read and understand financial statements and board papers
- ✓ Make further inquiries when necessary.



# Board Responsibilities

## Shape

the organisation's  
strategic direction,  
long-term vision & goals

01

## Steer

decision-making and  
key initiatives

02

## Guide

the organisation's overall  
performance and  
accountability

03

## Champion

good governance  
practices

04

## Frame and Assess

risks and  
opportunities

05

## Ensure

the organisation's  
legal and ethical  
compliance

06

## Manage

stakeholder/member  
engagement and  
reporting

07





# Board Responsibilities

## Establish

Culture-building and organisational values: set the tone from the top

08

## Employ

Manage and support the CEO's performance

09

## Align & coordinate

The organisation's overall performance and accountability

10

## Plan

For succession

11

## Ensure

The organisation's financial performance and viability

12

## Create

An environment for risk-aware decision-making

13

## Drive

Continuous improvement and accountability in all board processes

14



# Responsibilities & Duties In Action

- ✓ **Reviewing and approving financial reports**
  - Duties: Care, diligence, best interests

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- ✓ **Approving a major contract or purchase**
  - Duties: Proper purpose, conflict of interest

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- ✓ **Hiring a new CEO**
  - Duties: Best interests, fiduciary duty





# Responsibilities & Duties In Action



**Dealing with poor performance or internal conflict**

□ Duties: Good faith, diligence



**Speaking up in meetings**

□ Duties: Care, diligence, fiduciary duty



**Approving meeting minutes**

□ Duties: Care, diligence, fiduciary duty







# What Directors Don't Do



- ✓ Manage staff; they are employed by the CEO who is their sole boss
- ✓ Run or become involved in day-to-day operations
- ✓ Micromanage the CEO
- ✓ Make solo decisions and purport to bind the board
- ✓ Speak on behalf of the board without authorisation
- ✓ Dominate meeting discussion and debate
- ✓ Breach board confidentiality



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**Thank you**  

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